



*United States Attorney  
Southern District of New York*

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**FORMER BREAN MURRAY INVESTMENT BANKER**  
**SENTENCED TO 37 MONTHS IN FEDERAL PRISON**  
**FOR STEALING ALMOST \$1 MILLION**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that LORNE CAPLAN, a former investment banker at Brean Murray & Co., a New York investment bank, was sentenced late yesterday by United States District Judge SHIRA A. SCHEINDLIN in Manhattan federal court to 37 months in prison for stealing approximately \$990,000 from clients of Brean Murray.

As the Information filed against CAPLAN explains, as an investment banker at Brean Murray, CAPLAN was responsible for acting as an intermediary between companies issuing securities and public investors. From time to time, acting in his role as an investment banker, CAPLAN would contact clients seeking to invest in securities and facilitate the purchase of such securities. CAPLAN would also provide professional advice to those clients regarding investment opportunities.

Starting in June 2001, according to the charges, CAPLAN solicited investors for investments in two companies: Standard Mems, a company which manufactures sensors for medical equipment; and Natra-Bio, a purported bio-technology stock fund, which in fact was a shell company owned by CAPLAN. CAPLAN received a total of approximately \$990,000 from victims for these investments, but instead of investing the funds, CAPLAN converted the funds to his personal use.

For example, as described in the criminal Complaint filed earlier in the case, bank records for Natra-Bio, Inc. showed that one day after a victim wired approximately \$250,000 to this shell company, CAPLAN transferred approximately \$100,000 of these funds into his personal bank account, approximately

\$50,000 into the account of his wife, and withdrew approximately \$59,800 in cash.

On November 30, 2005, CAPLAN pleaded guilty to the Information, admitting that he lied to his clients and, without their authorization, diverted the clients' money for his personal use.

Judge SCHEINDLIN sentenced CAPLAN to 37 months in prison and ordered him to pay restitution to the victims.

CAPLAN, 41, resides in Stamford, Connecticut.

Mr. GARCIA praised the efforts of the Federal Bureau of Investigation for its work in this case.

Assistant United States Attorney Bret R. Williams is in charge of the prosecution.

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